
Missouri Market Development Program

Annual Report for Fiscal Year 2018

(July 1, 2017 – June 30, 2018)



EIERA

Environmental Improvement and Energy Resources Authority



Missouri Market Development Program

Building Missouri Business

Introduction

Administration

In 1990, the Missouri General Assembly directed the Environmental Improvement and Energy Resources Authority to establish the Missouri Market Development Program to promote the development and maintenance of markets for recovered materials. EIERA is a quasi-governmental agency with a Governor appointed bi-partisan board that serves as the financing arm of the Department of Natural Resources. EIERA was selected to house the Missouri Market Development Program to bridge economic development and environmental interests.

Purpose

The Missouri Market Development Program promotes the development and maintenance of markets for recovered materials and recycled content products throughout Missouri by providing financial incentives, technical assistance and informational services to businesses, governments and other organizations.

Recycling market development helps to ensure that recycling will expand its role in a sustainable Missouri economy, create jobs, conserve resources, contribute to a quality environment and reduce reliance on Missouri's landfills for disposal of solid waste.

Funding

To implement this statewide effort, the Missouri Market Development Program was allocated \$800,000 from Missouri's Solid Waste Management Fund in fiscal year 2018.

Recycling market development is working!

In fiscal year 2018, the Missouri Market Development Program's new investment in five Missouri recycling businesses and continued management of seven active projects benefited our economy and the environment:

- Leveraged more than \$11.4 million in total investment
- Created 84 new Missouri jobs
- Diverted more than 46,500 tons annually from Missouri landfills
- The avoided disposal costs for the materials used in these projects combines to more than 2.2 million each year.



Missouri Market Development Program

Developing markets through cooperation

Partners

The cooperation and assistance of several agencies and organizations have been instrumental in the success of the Missouri Market Development Program.

Department of Economic Development

During the fiscal year, the Missouri Market Development Program continued its working relationship with the Department of Economic Development in support of program objectives. The Missouri Market Development Program and DED coordinate direct assistance to businesses to improve sales and purchases of Missouri products made from recyclable materials.

Department of Natural Resources

The Missouri Market Development Program works closely with the Department of Natural Resources in its administration of the Solid Waste Management Fund and the Solid Waste Management Program's waste reduction and recycling efforts. The Missouri Market Development Program coordinates priorities and evaluation of activities with the Solid Waste Management Program.

Office of Administration

The Missouri Market Development Program, in cooperation with the Office of Administration, promotes recycling in state agencies. The Missouri Market Development Program works with the Office of Administration on the Missouri Interagency Recycling Council and in developing the annual State of Missouri Recycling and Waste Reduction Report.

Solid Waste Advisory Board

The Missouri Market Development Program provides updates on its activities to the Solid Waste Advisory Board. The Solid Waste Advisory Board is made up of the chairperson of each of the 20 Solid Waste Management Districts, three citizen representatives and two representatives of the solid waste management industry. The Solid Waste Advisory Board chair also serves on the Missouri Market Development Program Steering Committee.

Missouri Market Development Program Steering Committee

Staff from the EIERA, DED and DNR's Solid Waste Management Program comprise the interdepartmental Market Development Program Steering Committee. The Solid Waste Advisory Board chair is a permanent steering committee member. The steering committee evaluates financial assistance applications and technical assistance proposals submitted to the Missouri Market Development Program and makes funding recommendations to the EIERA board.



Missouri Market Development Program

Developing markets through cooperation

Partners (continued)

Mid-America Council of Recycling Officials

The Missouri Market Development Program represents Missouri on the 14-state Mid-America Council of Recycling Officials. As a member of the council, the Missouri Market Development Program encourages multi-state recycling, market development, reuse and source reduction efforts.

Missouri Recycling Association

Missouri Market Development Program staff are actively involved in the activities of the Missouri Recycling Association, Missouri's only collective voice for recycling, waste reduction and sustainability issues.

Missouri Waste Control Coalition

The Missouri Market Development Program supports the efforts of the Missouri Waste Control Coalition.



Missouri Market Development Program

Business Assistance

FY 2018 Update

Market Development Program Supports Missouri Businesses

The Missouri Market Development Program supports both larger and smaller-scale projects. Thanks to the program, Re-Poly, LLC in St. Louis created 12 new jobs in fiscal year 2018. The program also helped four other Missouri companies create new jobs in Spickard, Excelsior Springs, St. Louis, and Rosebud.

Fiscal Year 2018 Financial Assistance

The Missouri Market Development Program's financial assistance is targeted toward developing and expanding manufacturing capacity in Missouri by assisting businesses with the purchase of equipment needed to enable manufacturing facilities to use recovered materials. Financial assistance applicants to the Missouri Market Development Program may seek eligibility to request up to \$250,000 toward the purchase of specific equipment needed to manufacture a product from recovered materials or to process materials so that they can be used as manufacturing feedstock.

Applications are assigned points in the categories of job creation, annual diversion and the cash match provided by the applicant. Increasing amounts of assistance are available as points scored by an application increase. If the application addresses a Missouri Market Development Program target, additional points are added to the total. Targets are construction and demolition waste, food waste and organics, plastics or location in a minimally funded Missouri Solid Waste Management District. (A list of these districts is available at <http://eiera.mo.gov/files/2014/12/How-Missouri-Market-Development-Program-applications-are-scored.pdf>.)

Any award requires a cash match of at least 25 percent of the cost of the equipment, and a 50 percent cash match is required to receive the maximum award.

Additional Activities

In addition to the financial assistance offered to Missouri business, the Missouri Market Development Program assists businesses with locating and procuring recyclable feedstocks and end markets for their recycled-content products.



Missouri Market Development Program

Business Assistance

FY 2018 Projects

Coon Manufacturing, Inc. – Spickard

Coon Mfg., Inc., was awarded \$60,075 to purchase a new pulverizing system to increase and more accurately produce material for use in rotational molding applications.

Coon Mfg. (a successful past program participant) has been in operation since 1965, but started manufacturing products from recycled plastics in 1988, at first making only plastic sheets for the agricultural industry. With urging from the EIERA, Coon Mfg. expanded in 1992 to begin molding a variety of products from recovered #2 plastics (high density polyethylene). Today, the company typically runs three eight-hour shifts with fourteen employees and produces boat docks, septic tanks, hunting blinds and many custom products.

The company's pulverizing system was experiencing frequent down time and was old enough that parts were difficult to locate. A new system not only allows them to run longer, but allows for processing increased volume, necessary for the company to keep pace with new custom product orders. The new system enables the company to process an additional 386 tons of plastics each year.

Coon Mfg., Inc., anticipates **diverting 386 tons** annually **and creating two new full time jobs** with this project.

Lumber Logs, LLC – St. Louis

Lumber Logs, LLC was awarded \$27,746 to purchase a sawmill that will enable the company to mill lumber from logs recovered from tree removers and land clearing operations in the St. Louis area.

The business was founded in 2004 to divert local logs from the landfill and takes the majority of the logs it obtains to local mills where they are converted to low grade wood products such as pallets. Lumber Logs, LLC has also used local sawyers to mill some of the logs into lumber that the company retails. While the retail lumber side of the business is key to making the economics of picking up local logs work, sawing the lumber on site would allow the business to grow in the most efficient and effective manner.

Lumber Logs, LLC offers free log pickup in the St. Louis area. Trees are removed daily for land clearance, storm damage, homeowner decisions or other reasons, and the free pickup offered by Lumber Logs, LLC is a cost savings over landfilling to municipalities, golf course, cemeteries and home owners. The company currently retains one full-time employee and operates on a lot where they sort logs and retail lumber, most of which cannot be found at a typical lumber shop.

Lumber Logs, LLC anticipates **diverting 4,800 tons** annually with this project.



Missouri Market Development Program

Business Assistance

FY 2018 Projects

Cedar Valley Components – Rosebud

Midco Electric and Plumbing, LLC/DBA Cedar Valley Components was awarded \$50,000 to purchase a second manufacturing line to expand their current production of “I-Blocks” (truss reinforcement) from reclaimed lumber.

Cedar Valley Components manufactures a variety of wood products, including the I-Block. The I-Block reinforces trusses, and has a strong market particularly in the south and east coast areas where hurricanes often affect homes. Since 2004, Cedar Valley Components has been the only Missouri company manufacturing the I-Block and the product is shipped nationwide and to Canada.

The I-Block is made from waste ends generated at mills that produce lumber for retail sale. The product is a ready-to-use component for trim-able floor truss markets. The 16” panel is inserted into any standard open wood or metal web floor truss and allows for on-site customization, which saves time and reduces errors while exceeding typical residential loading.

Cedar Valley Components anticipates **diverting 431 tons** annually and **creating five new full time jobs** with this project.

EXT, Inc. – Excelsior Springs

EXT, Inc., located in Excelsior Springs, was awarded \$99,950 to purchase equipment costing \$149,925 that will enable the company to manufacture containers made with one-hundred percent recovered plastics.

EXT, Inc., a past program participant, was incorporated in 1974 and currently manufactures a variety of thermoformed plastic products using recovered materials at its 78,000 square foot plant. The proposed project involves the creation of multiple tools which the company would use to manufacture popular sizes of engine and transmission shipping containers made entirely of recycled polyethylene.

EXT’s location and manufacturing capability give the company advantages over present suppliers of these types of containers. Existing manufacturers of these types of containers are located in California and the cost of supplying them to the industry in the Midwest continues to rise. EXT believes they can compete both in pricing and by offering credit for end of life scrap and parts since EXT can use this as feedstock for another generation of products.

EXT, Inc. anticipates **diverting an additional 500 tons** annually from the waste stream and **creating twelve full time employee positions** with this project.



Missouri Market Development Program

Business Assistance

FY 2018 Projects

Re-Poly LLC – St. Louis

Re-Poly LLC was awarded \$250,000 to purchase equipment costing \$500,000 that will enable the company to recover flexible film and convert it to manufacturing feedstock.

Re-Poly LLC participated in the program as a start-up company when it was under the ownership of QRS, Inc. The company has been operating since 2014, processing over 5,000,000 tons each month of bulky rigid plastics that would otherwise have been destined for the landfill. There is a strong demand for the regrind plastics among large plastics manufacturers.

Most, if not all multi-layer and postindustrial flexible scrap is now being landfilled or incinerated. Polyolefin flexible packaging that has imbedded barrier material sandwiched between layers is especially difficult to separate. Re-Poly has developed a process to convert this material to a usable commodity, in high demand by Evertrack LLC, a St. Louis company that is manufacturing railroad ties from plastics and fiberglass.

Re-Poly LLC anticipates **diverting an additional 10,800 tons** annually from the waste stream and creating **twelve full time employee positions** with this \$1.6 million project.



Missouri Market Development Program

Business Assistance

Summary of FY 2018 Projects

| Company | City | Material | Est.Tons Diverted Annually | Est.New Jobs | Award | Investment | Annual Savings |
|-------------------------|-------------------|----------|----------------------------|--------------|------------------|--------------------|------------------|
| Coon Mfg., Inc. | Spickard | Plastics | 386 | 2 | \$60,075 | \$120,150 | \$25,010 |
| Lumber Logs, LLC | St. Louis | Wood | 4,800 | 0 | \$27,746 | \$36,995 | \$330,000 |
| EXT, Inc. | Excelsior Springs | Plastics | 500 | 12 | \$99,950 | \$149,925 | \$84,595 |
| Cedar Valley Components | Rosebud | Wood | 431 | 5 | \$50,000 | \$142,500 | \$14,610 |
| Re-Poly, LLC | St. Louis | Plastics | 10,800 | 12 | \$250,000 | \$1,600,000 | \$378,000 |
| TOTALS | | | 16,917 | 31 | \$487,771 | \$2,049,500 | \$832,215 |

Recycling market development is working!

The Missouri Market Development Program's fiscal year 2018 new investment in these five Missouri recycling businesses helped our economy and environment:

- Leverage more than \$2 million in total investment
- Create 31 Missouri jobs
- Divert more than 16,000 tons annually from Missouri landfills
- The avoided disposal costs for the materials used in these projects combines to more than three-quarters of a million dollars.



Missouri Market Development Program

Business Assistance

Summary of FY 2018 Active Projects (previously awarded – still open)

In addition to the five new projects awarded in fiscal year 2018, seven previously awarded projects were actively managed by the program during the fiscal year.

| Company | City | Material | Est.Tons Diverted Annually | Est.New Jobs | Award | Investment | Annual Savings |
|----------------------------|-------------|-------------|----------------------------|--------------|--------------------|--------------------|--------------------|
| Midwest Organics, Inc. | Sikeston | Organics | 6,000 | 10 | \$250,000 | \$2,200,000 | \$10,970 |
| Bryant Plastics | Gainesville | Plastics | 1,200 | 2 | \$61,875 | \$82,500 | \$80,400 |
| Missouri Organic Recycling | Kansas City | Organics | 4,800 | 3 | \$250,000 | \$820,923 | \$432,000 |
| Granuband Macon, LLC | Macon | tires | 800 | 10 | \$200,000 | \$1,200,000 | \$37,600 |
| Enginuity, LLC | Mansfield | organics | 14000 | 12 | \$250,000 | \$750,000 | \$700,000 |
| EPC, Inc. | Wright City | electronics | 2000 | 4 | \$200,000 | 1,858,952 | 100,000 |
| St. James Winery, Inc. | St. James | organics | 1000 | 12 | \$175,500 | 2,500,000 | 49,000 |
| TOTALS | | | 29,800 | 53 | \$1,387,375 | \$9,412,375 | \$1,409,970 |

Recycling market development is working!

These seven previously awarded, active projects benefited the Missouri economy and environment by achieving the following:

- Leveraging more than \$9.4 million in total investment
- Creating 53 Missouri jobs
- Diverting almost 30,000 tons annually from Missouri landfills
- The avoided disposal costs for the materials used in these projects combines to more than \$1.4 million each year.



Missouri Market Development Program

Informational Services

Working Toward Solutions

During the fiscal year, staff advised businesses on market conditions, locating recovered material feedstocks, determining markets, developing products and creating business presentations. Staff also responded to requests for information on marketing, planning assistance and markets for recyclables from governments and not-for-profit organizations.

The Missouri Market Development Program assisted businesses, governments, organizations and individuals in locating specific recycled-content products.

Information sharing is an important aspect of the Missouri Market Development Program's efforts to help build Missouri's recycling infrastructure. The program provides resources and informational services to businesses, governments and other organizations to increase manufacturing, marketing or purchasing of recycled content products.

Missouri Market Development Program staff also promoted Missouri's recycling industry and the "buy recycled" message in speaking engagements and workshops and participated in state, regional and national recycling issue conferences and meetings.

Staff develop and maintain information for a Missouri Market Development Program web site (www.eiera.mo.gov/mo-market-dev-program) and continue to gather and refine information for future web publication. The web site enables businesses to download the Missouri Market Development Program Application for Financial Assistance and access other program publications and information.

During the fiscal year, Missouri Market Development Program staff supported and participated in state, region and nation-wide organizations and activities to gain and share knowledge and to develop professional relationships in the areas of recycling, economic development, solid waste and related environmental or business areas. Active involvement in these initiatives enables Missouri Market Development staff to approach problem solving from many perspectives and better facilitate growth of Missouri's recycling businesses.



Missouri Market Development Program

Outlook

Focusing on Opportunity

Economy

The economic benefits of recycling versus landfill disposal seem negligible at the front end, but as materials flow further downstream, the value of the commodity increases, as do the wages and skilled labor required to turn the commodity into an end product. Recycling is estimated to create nearly five times as many jobs as landfilling. The recycling industry is an elaborate and diverse network of public sector institutions and private industry. Recycling involves not only collection, but also processing and manufacturing. At each level, jobs are created, and income is generated. Recoverable material destined for a landfill is a leakage from the local economy.

Environment

The greatest environmental benefits of recycling are related not to landfills but to the conservation of energy and natural resources and to the prevention of air and water pollution when a recycled material, rather than a raw material, is used to make a new product. Using recovered materials in preference to virgin also helps stimulate Missouri's development of green technologies. The benefits of developing markets for recovered materials are found at every stage of the life cycle of a consumer product - from the mining of raw materials through its use and final disposal.

Challenges

Missouri has made great strides in recycling since 1990, but much of our recovered material continues to flow out of state, often to other countries where it is used in manufacturing products that are resold to the United States. According to the Department of Natural Resources, 1.9 million tons of recyclables are disposed of in Missouri landfills each year. End markets, particularly local end markets, for many materials simply do not exist.

Opportunities

The Missouri Department of Economic Development reports that Missouri exports of scrap exceed \$5 million annually. Recirculation of even a fraction of this within the state would have significant economic benefits for Missouri. Manufacturers that use recovered materials do so in lieu of feedstocks that are mined, harvested or extracted outside of the region. As a result, these businesses create jobs closer to home and have a smaller environmental footprint than companies that rely on raw material extraction. The Missouri Market Development Program acts to counter-balance foreign demand by developing local markets that will in turn create jobs and broaden the domestic tax base. Recycling market development feeds directly into building Missouri jobs, supports larger, private sector investments, promotes resource efficiency and spurs new technologies.

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